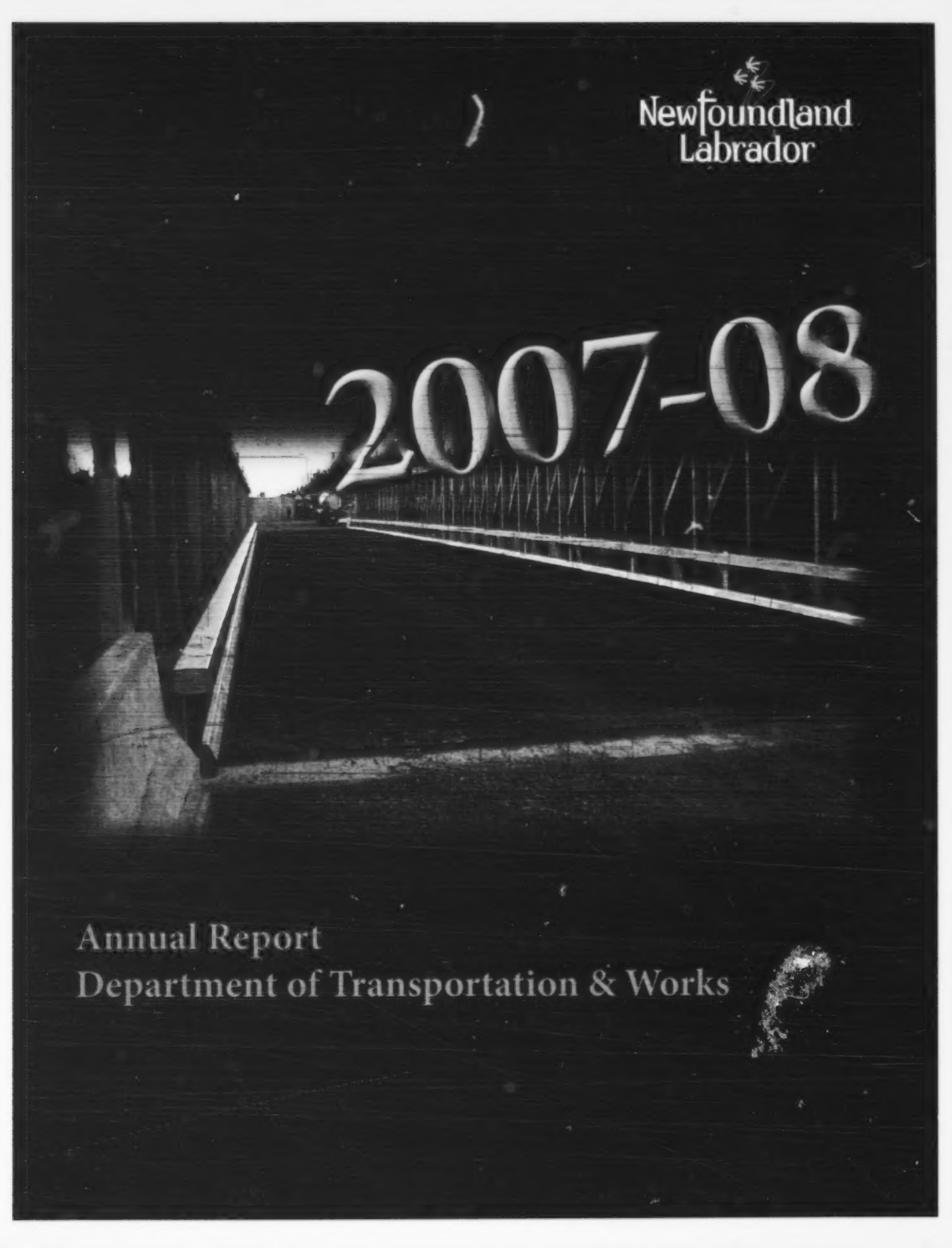
Newfoundland Labrador



2007-08

Annual Report
Department of Transportation & Works

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MESSAGE FROM THE MINISTER

In accordance with government's commitment to transparency and accountability, I am pleased to submit the 2007-08 Annual Report for the Department of Transportation and Works. This report provides an overview of departmental activities and key accomplishments during the 2007-08 fiscal year. As Minister responsible for the Department, I am accountable for the preparation of this report and the results contained herein.

As part of its mandate, the Department provides a safe and efficient transportation system, landlord services for all Government departments and support services such as leasing and air services. A detailed description of the Department's mandate is available in the Department of Transportation and Works 2006-08 Strategic Plan.

I am proud to say that my Department has made major progress in accomplishing the five-year mission outlined in our Strategic Plan. A number of the indicators listed to be achieved by 2011 have already been reached and we have made substantial progress on the remainder.

Over the past year, we have made unprecedented investments in our road and bridge infrastructure and marine services. The Government of Newfoundland and Labrador invested more than $160 million in road improvements, including a record investment of $66.5 million for the Provincial Roads Improvement Program. In addition, the Province committed $15 million to commence the widening of Phase I of the Trans Labrador Highway without any federal investment. Subsequently, we were successful in securing a 50:50 cost-sharing agreement with the Government of Canada to continue the surfacing of Phase I.

The Department has also improved marine services by establishing a new headquarters in Lewisporte as well as with significant advances in vessel replacement. An agreement in principal, valued at $50.5 million, was reached in June 2008 and construction is scheduled to begin here in Newfoundland and Labrador in 2008-09.

Finally, I would like to take this opportunity to thank the over 1,800 employees of the Department of Transportation and Works for their continuous efforts and hard work. I look forward to their continued support and dedication in achieving our strategic goals and annual objectives in the coming years.

Sincerely,

Dianne Whalen

Dianne Whalen, MHA
Minister of Transportation and Works

DEPARTMENTAL OVERVIEW

VISION

The vision of the Department of Transportation and Works is of a sustainable public works and transportation infrastructure that meets the economic and social needs of the province.

MISSION

Transportation and Works will have improved the transportation and public works infrastructure and services to meet the economic and social requirements of Newfoundland and Labrador by 2011.

MANDATE

The mandate of the Department of Transportation and Works is derived from the Executive Council Act and includes responsibly for the administration, supervision, control, regulation, management and direction of all matters relating to transportation and public works, including:

- Design, construction, improvement, repair and maintenance of highways, local roads, airstrips, ferry landings and related facilities;
- Acquisition, use, maintenance and operation of ferries under ownership, charter or administration;
- Acquisition, use, maintenance and operation of provincial air ambulance, water bomber and other aircraft and services under ownership, charter or administration;
- Property that belongs to or is held or occupied by the Crown, and the works and properties acquired, constructed, extended, enlarged, repaired or improved at the expense of the province, or for the acquisition, construction, extension, enlargement, repair or improvement of which public funds are voted and appropriated by the Legislature, other than property and works assigned to another minister or department of the government of the province;
- Property management including the design, construction, repair, maintenance, heating, lighting, cleaning, phone, mail and security of buildings that belong to or are held or occupied by the Crown and grounds that belong to those buildings;
- The leasing of real property by the Crown and related activities;
- The disposition of surplus real property; and,
- The administration of Acts under the responsibility of the Department and of all orders and regulations passed or made under those Acts, including those powers, functions or duties necessary or desirable for carrying out the purpose of those Acts.

LINES OF BUSINESS

In delivering its mandate, the Department of Transportation and Works provides the following lines of business:

TRANSPORTATION

Provision and/or management of transportation infrastructure and services for the province, including:

- Provincial roads;
- Provincial marine passenger, vehicle and freight services;
- Provincial airstrips; and
- Provincial air ambulance and water bomber services.

PUBLIC WORKS

Provision and/or management of:

- Facility/building infrastructure for Government and select agencies;
- Building security; and
- Government phone and mail services.

The primary clients of the Department of Transportation and Works include all provincial government departments and their related boards and agencies, municipal governments, road users, provincial ferry users, shippers, carriers and transport workers, and consultants.

OGANIZATION AND STAFFING

The Department of Transportation and Works is divided into four branches: Road and Air Transportation, Marine Transportation Services, Works, and Strategic and Corporate Services.

SUMMARY OF ORGANIZATION

ROAD AND AIR TRANSPORTATION

Provision and maintenance of a provincial road transportation system that includes:

- Summer and winter maintenance (snowclearing and ice control) on over 9,000 kilometres of primary and secondary highways and community access roads;
- Construction of new roads and management of road improvement projects with expenditures of $120.5 million for 2007-08;
- Management of government's fleet of over 2,700 vehicles including light vehicles, heavy equipment and utility vehicles (such as snowmobiles, all terrain vehicles, etc.);
- Provision of up to date image of driving conditions from twelve camera locations throughout the province (www.roads.gov.nl.ca/cameras/default.stm);
- Provision of environmental services for provincial roads projects; and,
- Operation and maintenance of government's fleet of eight aircraft for air ambulance and water bombing services.

MARINE TRANSPORTATION SERVICES

Provision, maintenance and management of 16 provincial ferry services for marine operations throughout the province, including:

- Nine government-owned and operated vessels, two government-owned and privately operated (through a contract with the provincial government) vessels, and eight privately-owned contracted vessels serving approximately 30,000 residents;
- Operations accounting for $62 million for 2007-08 (accounting for approximately 760,000 passengers, 370,000 vehicles, and 21,600 tons of freight moved);
- Provision for fleet modernization through government's vessel replacement;
- Provision for vessel modification and refits of government-owned vessels through a comprehensive vessel maintenance management program; and,
- Operation of government-owned vessels with a complement of approximately 250 marine staff.

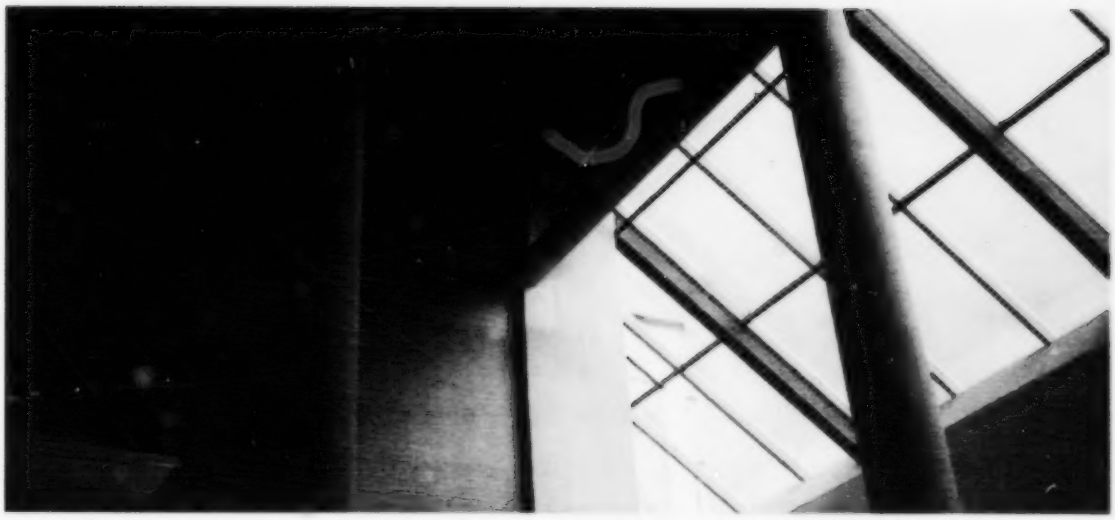
Note: The Department of Transportation and Works is not responsible for the Gulf Ferry Service. Responsibility for this service resides with the Government of Canada through Marine Atlantic Inc. (www.marineatlantic.ca).

WORKS

- Management and maintenance of approximately 633,900 square metres of floor space at nearly 400 sites across the province;
- Construction of new buildings and management of other capital projects for government departments and government-funded bodies with expenditures of $82.6 million during 2007-08;
- Provision of space for government departments in government-owned buildings and leased accommodations;
- Acquisition of land on behalf of government departments and agencies for various projects and public works;
- Provision of environmental services for government buildings;
- Provision of centralized mail and messenger services for government; and,
- Provision of telecommunications services to all government departments.

STRATEGIC AND CORPORATE SERVICES

- Provision of financial services for the Department;
- Provision of strategic human resources services for the Department; and,
- Provision of policy and planning services for the Department.



OUR VALUED EMPLOYEES

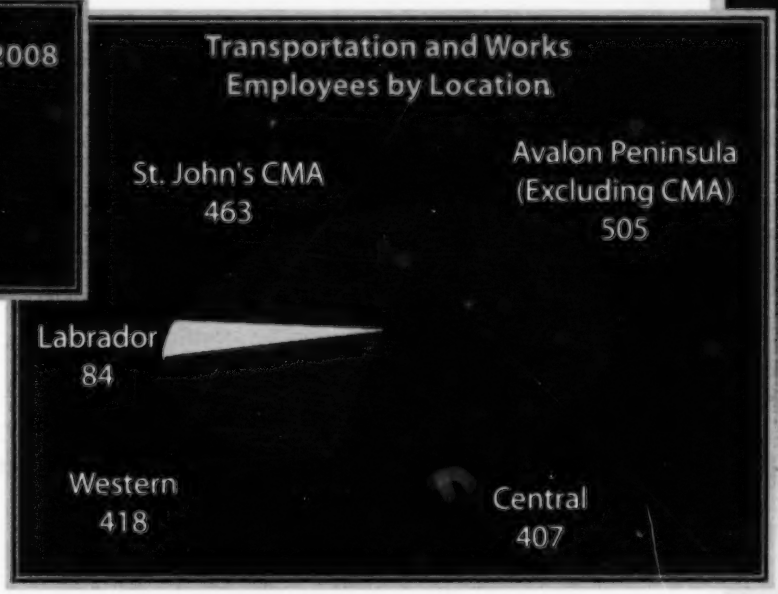
The provincial headquarters at the Confederation Complex is responsible for policy and planning, project management and design, strategic operational management, and corporate administrative services. The regional offices throughout the province provide construction, maintenance and operational services while the depots provide direct services such as snow clearing and road maintenance.

With 1,850 staff located throughout the entire province, the Department of Transportation and Works has the largest number of employees within any government department. The Department operates seven regional offices plus 32 year-round and 23 winter depots located in 55 communities throughout the province.

Employees as of March 31, 2008

- 1,850 in total (1,644 male; 206 female)
- 1,021 permanent (877; 144)
- 501 temporary (455; 46)
- 328 seasonal (312; 16)

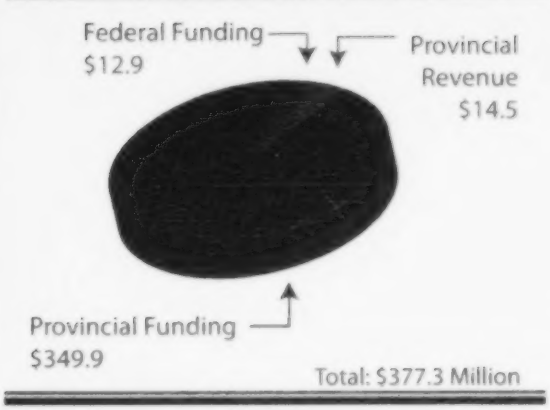
Transportation and Works Employees by Location



REVENUES AND EXPENDITURES FOR 2007-08

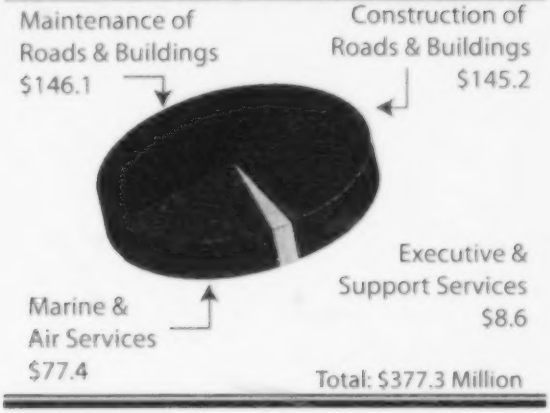
Where the Money Comes From
($ Millions)

Revenues 2007-08



Where the Money was Spent
($Millions)

Expenditures 2007-08



SHARED COMMITMENTS

A COMMITMENT TO THE PEOPLE OF THE PROVINCE

The Department of Transportation and Works is committed to providing the people of the province with a safe and reliable transportation system that contributes to their economic and social needs. It is through this commitment that we work with key stakeholders at the regional and community level, including municipalities, to determine how we can best meet their needs within our current fiscal realities. With sound infrastructure and fiscal management, we will be successful in sustaining our transportation and public works infrastructure for future generations.

OTHER PROVINCIAL GOVERNMENT DEPARTMENTS

The Department of Transportation and Works provides support to all government departments and their boards/agencies. The Department's Works Branch collaborates with its partners across the provincial government to ensure that their leased or government-owned accommodation needs are addressed in an efficient and cost-effective manner. The Department is also responsible for the provision of telecommunications, mail and messenger services and property acquisition services for the provincial government.

The Department provides project design and construction management support for departments and agencies from the design stage to completion of construction. Over the past year, this has included facilities such as courthouses, long-term care facilities, schools and college campuses to name a few. While the Department is the landlord for buildings housing government departments, schools and health care facilities are turned over to the respective Authority/Board upon completion.

FEDERAL, PROVINCIAL AND TERRITORIAL (FPT) PARTNERS

The Department of Transportation and Works continues to collaborate closely with colleagues in other provincial and territorial governments, as well as with federal officials, on shared issues and concerns. As part of this partnership, the Department participates in a number of forums concerning transportation and public works. This includes participating in Annual Federal-Provincial-Territorial Ministers and Deputy Ministers Meetings, to share and discuss best practices and ideas in areas of research and policy development.

HIGHLIGHTS AND ACCOMPLISHMENTS

Over the past year, the Department of Transportation and Works has made considerable achievements in addition to the strategic issues outlined in the following section. They include improvements to the Trans Labrador Highway, marine services, occupational health and safety, and environmental efficiency standards. These accomplishments assist the Department in effectively carrying out its mandate, as well as fulfilling its mission by 2011.

TRANS LABRADOR HIGHWAY

The Government of Newfoundland and Labrador is committed to completing Phase III of the Trans Labrador Highway. During the 2007-08 construction season, the Department successfully completed an additional 58.1 kilometres of road, bringing the total construction of Phase III to 179.1 kilometres of the 280-kilometre section of highway. This supports the strategic directions of Government by contributing to the Province's commitment to completing Phase III of the Trans Labrador Highway.

The Department has also made progress toward hard-surfacing Phase I of the Trans Labrador Highway. The 2007-08 Budget allocated $15 million to commence hard-surfacing of Phase I of the Trans Labrador Highway. In June 2007, tenders were issued to widen three sections of road in preparation for hard-surfacing. They included a section of road between Happy Valley-Goose Bay and Churchill Falls, a section in Labrador West and a section from Churchill Falls to the Churchill Falls Airport. Although a late season start date postponed construction, crews managed to widen 37 kilometres of road and complete 1.8 kilometres of hard-surfacing of the Trans Labrador Highway by March 31, 2008.

The Department is also committed to improving signage and tourist information along the Trans Labrador Highway. The 2007-08 Budget allocated $100,000 for the installation of new community signage between Red Bay and Cartwright. Furthermore, replacement signs have been produced for 14 community signs, 11 welcome and directional signs, 44 trail confirmation signs, 6 distance signs and 8 river identification signs. Installation was completed in July 2008.

IMPROVEMENTS TO MARINE SERVICES

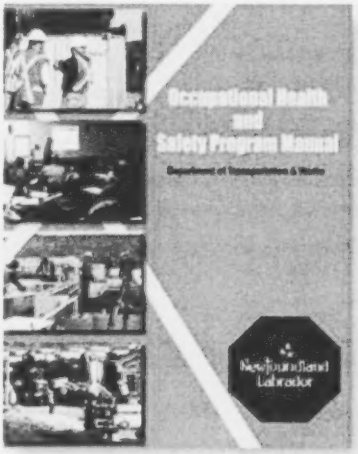
The Provincial Government remains committed to vessel replacement and improving marine services. The 2007-08 Budget allocated $15 million to begin construction of two new ferries here in Newfoundland and Labrador. The construction of these vessels will generate approximately 330,000 person hours of employment within the province. Request for Proposals were delivered to two qualified shipyards and closed on January 31, 2008.

On January 17, 2008, the Department of Transportation and Works officially opened the new Marine Transportation Services Branch in Lewisporte. The Provincial Government invested approximately $630,000 in the 2007-08 Budget to establish the new headquarters and hire additional staff. The new branch has over 250 employees province-wide with 16 based in Lewisporte. The new headquarters serves as a base of operations for provincial marine services.

As the Province moves forward on vessel replacement, maintaining the current fleet remains a priority. In addition to investing in ferry construction, the 2007-08 Budget allocated $10.3 million for refits of government-owned ferry vessels and $5 million for maintenance and capital construction of terminals and wharves. In addition, the Provincial Government invested $1.5 million in ferry rate reduction, bringing passenger and vehicle-plus-driver rates in line with road equivalency.

OCCUPATIONAL HEALTH AND SAFETY

The Department of Transportation and Works is committed to ensuring that safety is a priority in all departmental work activities. The Department's employees make every effort to ensure that the work environment is safe as well as ensuring the safety of the public they serve.



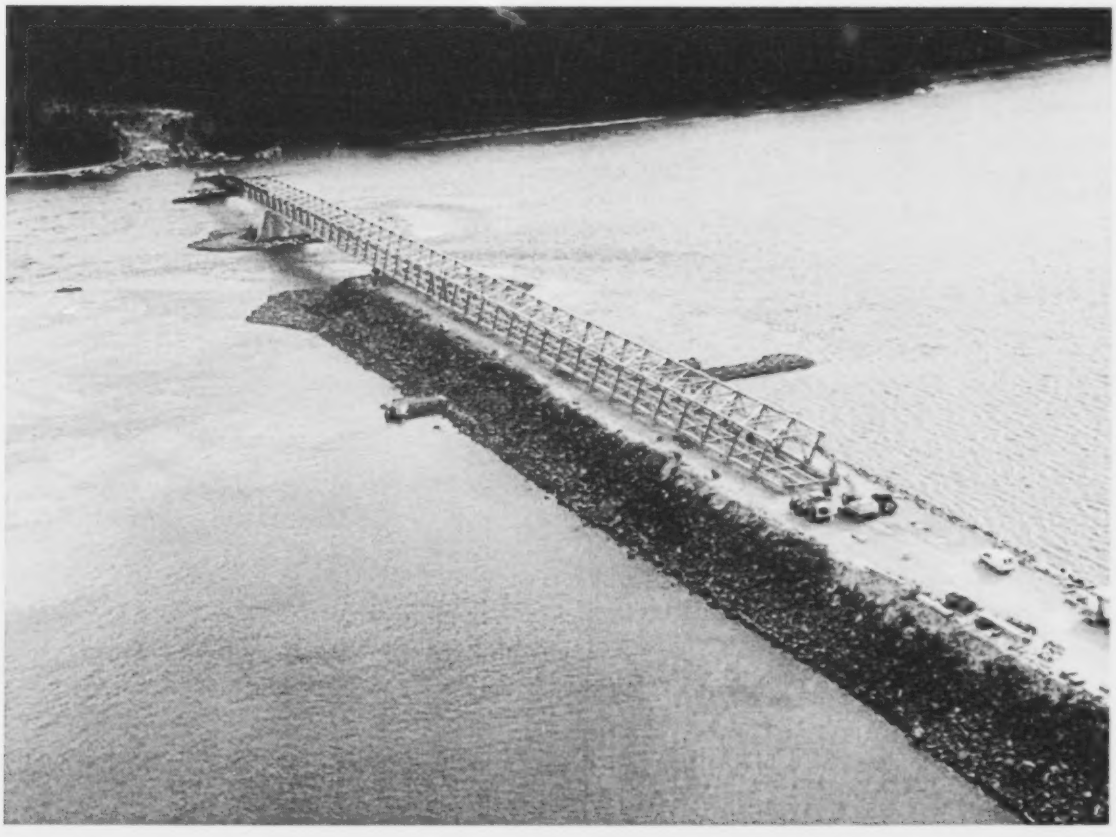
Several initiatives were implemented in the past year including an injury investigation program for high-risk occupations as well as a safety inspection program for all worksites throughout the Province. The Department began training employees in defibrillator use, as well as significantly increasing the number of employees trained in first aid, increasing the safety of our staff and the public. As an added safety measure, our Marine Transportation Services Branch has increased the safety of passengers and staff by ensuring that passengers do not remain in their vehicles during transport, as well as banning smoking on board the vessels.

In the past year, the Department's continued emphasis on the importance of safety practices has resulted in an increase in the number of employees trained in workplace safety. Combined with policy development in the area of occupational health and safety, the Department has witnessed a significant reduction in the number of workplace injuries.

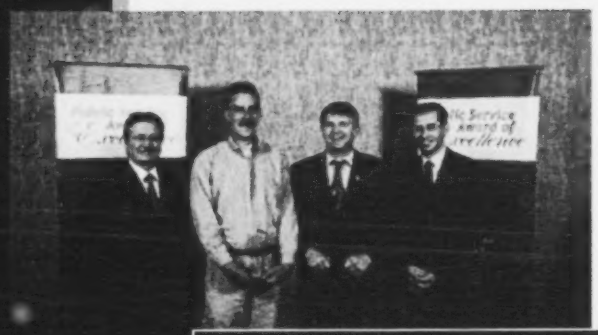
ENVIRONMENTAL ACCOMPLISHMENTS

The Building Design and Construction Division of the Department of Transportation and Works received recognition from Natural Resources Canada for achievements in energy efficiency for the design performance of the Clarenville Long-Term Care Facility. The facility exceeds the mandatory requirements of the Model National Energy Code for Buildings with an efficiency rating more than 30 percent above standards, and exceeds the Provincial Energy Plan objective of a 25 percent energy consumption reduction. This level of design performance also fulfills the Energy and Atmosphere prerequisite in the Leadership in Energy and Environment Design (LEED) rating system, making the building compliant with a LEED Silver ranking – another objective of the Provincial Energy Plan. Natural Resources Canada awarded an honorary plaque to the Department that will be placed in the Clarenville Long-Term Care Facility.

The Highway Design and Construction Division and the Labrador Regional Operations Division of the Department of Transportation and Works received the 2007 Steel Design Award of Excellence from the Canadian Institute of Steel Construction. This award recognizes the Department's achievement in minimizing environmental impact during the design and construction of the Churchill River Bridge, located approximately eight kilometres upstream from the Town of Happy Valley-Goose Bay. The crossing of the Churchill River represents one of the highlights of Phase III of the Trans Labrador Highway. Completed in Fall 2006, the crossing consists of a 500-metre causeway and a three-span 360-metre bridge.



AWARDS OF EXCELLENCE



From left to right:
Premier Danny Williams, Scott Barrett, Charlie Crowe and Gary Norris, Clerk of the Executive Council.

The Public Service Award of Excellence recognizes individuals and teams who have made outstanding contributions to the public service. It is the highest honour an employee can receive from the Government of Newfoundland and Labrador. The Department of Transportation and Works would like to congratulate Charlie Crowe and Scott Bartlett as recipients of the 2007 Public Service Award of Excellence.

At about 5:00 a.m. on a winter morning Charlie Crowe and Scott Barrett were patrolling snow routes as per usual procedure. Both noticed some gravel on Windgap Road in Flatrock and stopped to investigate further. Initially, it appeared that gravel had simply been deposited on the shoulder of the road, so they began the task of removing the material from the roadway. However, before leaving the site, they decided to investigate a little further to eliminate the possibility that there had been a more serious incident. Using flashlights, Charlie and Scott searched the ditch and adjacent wooded area and found a young man who had been thrown from his car when it left the road some hours before.

The 18 year-old man was in poor condition and required hospitalization. Charlie and Scott called 911 and kept the young man warm and comfortable until emergency response personnel arrived at the scene. If not for the persistence of these individuals, the young man may not have been found until much later and the outcome may have been far worse. It is quite possible that the actions of Charlie and Scott saved the life of Robert Kavanagh on that February morning.

The level of dedication displayed by these men as they carried out their duties resulted in the saving of a young life. This incident has had a very positive impact on the staff of the Torbay Maintenance Unit, as well as the region in general. While it is generally recognized that the frontline staff who clear the roads in winter are critical to road safety, an incident like this reminds us that these people are really the "unsung heroes" of the department.

Their actions are a testament to the efforts of the many individuals who work to keep our highways safe for travel and, often times, their professionalism, skills and quick thinking can mean the difference between life and death. These individuals maintain our highways day-in and day-out, ensuring the travelling safety of the residents of our province. To quote the mother of Robert Kavanagh, "I thank God every day that Mr. Crowe and Mr. Barrett were the men on duty that day in Flatrock. Their insightfulness and persistence are the reason our son is alive today." Charlie and Scott were doing their duty, but went above and beyond the requirements of their jobs.

OUTCOMES OF OBJECTIVES

In keeping with Government's strategic directions and the mandate and financial resources of the Department of Transportation and Works, the Department has worked toward addressing five key strategic issues over the past year:

- Improved space utilization;
- Improved transportation infrastructure;
- Modernization of the heavy equipment fleet;
- Vessel replacement; and,
- Long-term multi-modal transportation plans for the province.

IMPROVED SPACE UTILIZATION

On behalf of Government, the Department of Transportation and Works manages and maintains approximately 633,900 square metres of floor space at nearly 400 sites across the province. During 2007-08, the Department was responsible for constructing and managing capital projects for other departments and publicly funded bodies with expenditures of $82.6 million. To improve space utilization, Government reviewed all government-owned and leased space with an objective of maximizing efficiency, meeting functional needs, and ensuring that tax dollars are put to best use. Vacant government-owned assets were also reviewed to determine if they should be reused or sold. The following goals and objectives support the strategic directions of government by contributing to the Province's commitment to rationalized space requirements, minimized cost, and reduced surplus buildings.

GOAL:

By 2008, the Department of Transportation and Works will have reduced the amount of vacant government buildings.

Measure: Reduced vacant government buildings
Indicator: Amount of select vacant government properties are reused, disposed or demolished (measured in square metres)

2007-08 OBJECTIVE

By March 31, 2008, the Department of Transportation and Works will have reduced the amount of vacant government buildings.

Measure: Reduced vacant government buildings
Indicator: Amount of select vacant government properties are reused, disposed or demolished (measured in square metres)

2007-08 OUTCOMES

- Over 8,000 square metres of surplus buildings were demolished, disposed of, or reused resulting in an 11 percent reduction of vacant government buildings this year.
- All buildings at the former Salmonier Correctional Facility were demolished.
- Pre-demolition environmental remediation of the remainder of the Grace Hospital has commenced and the contract was awarded for the demolition of the remaining sections of the Grace Hospital Building in April 2007. Demolition is ongoing.
- Contracts have been awarded for the remediation/demolition of both the former Sir Thomas Roddick Hospital in Stephenville and the Remand Centre in Pleasantville.
- Renovations to the former Museum Building on Duckworth Street have been completed. Sections of the Departments of Human Resources, Labour and Employment and Justice moved into the building in January 2008.

ACHIEVING OUR GOAL

From 2006 to 2008, the Department of Transportation and Works made significant achievements in reducing vacant government buildings. Since setting the goal in 2006, the Department has reused, disposed or demolished over 13,600 square metres of space. This represents an 18 percent reduction of vacant government buildings over the past two years.

GOAL:

By 2008, the Department of Transportation and Works will have reduced the overall square metres per employee of leased office accommodations.

Measure: Reduced leased office space per employee
Indicator: Amount of office properties leased per employee is decreased (measured in square metres per employee)

2007-08 OBJECTIVE

By March 31, 2008, the Department of Transportation and Works will have reduced Government's reliance on leased accommodations.

Measure: Reduced leased office space per employee
Indicator: Amount of office properties leased per employee is decreased (measured in square metres per employee)

2007-08 OUTCOMES

- The Department has continued to implement Government's new office space standard in support of program delivery. As a result, the Department redeveloped approximately 7,747 square metres of government office space to comply with the new standard and meet functional requirements.
- One particular achievement involved the reconfiguration of approximately 2,350 square metres of the West Block of the Confederation Building, which resulted in the accommodation of an additional 124 employees.
- The amount of leased office space per employee was reduced from 7.6 square metres in 2006-07 to 7.4 as of March 31, 2008.

ACHIEVING OUR GOAL

Over the past two years, the Department of Transportation and Works has successfully reduced the overall square meters of leased office space per employee from 7.8 square metres to 7.4 square metres.

IMPROVED TRANSPORTATION INFRASTRUCTURE

Investment in infrastructure is one of the most effective ways governments can stimulate job creation in the short-term and support a more productive and competitive economy over the long-term. Infrastructure improvements assist businesses to be more productive, boost trade and tourism, and contribute to a higher quality of life. The Department recognizes the vital importance of all modes of transportation to the economic and social development of the province and is committed to making improvements to meet the needs of the residents of Newfoundland and Labrador. The following goals and objectives support the strategic directions of government by contributing to the improvement of transportation infrastructure and services in the Province.

GOAL:

By 2008, the Department of Transportation and Works will have improved road and bridge infrastructure.

Measure: Improved road and bridge infrastructure

Indicator:
Number of kilometres of gravel roads is decreased
Number of bridges rehabilitated
Number of bridges age 40 years or greater is decreased
Kilometres of paved roads age 20 years or greater is decreased
Amount of pothole patching required is decreased

2007-08 OBJECTIVE

By March 31, 2008, the Department of Transportation and Works will have improved road and bridge infrastructure.

Measure: Improved road and bridge infrastructure

Indicator:
Number of bridges age 40 years or greater is decreased
Number of bridges rehabilitated
Amount of pothole patching required is decreased
Number of kilometres of gravel roads paved
Kilometres of paved roads age 20 years or greater resurfaced

2007-08 OUTCOMES

- 261 bridges age 40 years or greater compared with 236 in 2006-07. 1
- 22 bridges rehabilitated and 7 replaced
- 4,853 tonnes of pothole patching completed, a reduction of 1,800 tonnes compared to last year.
- 41.7 kilometres of gravel roads paved.
- 424.4 kilometres of roads resurfaced. 2

Variance

1 *Increase in bridges past 40 years is due to a greater number of bridges reaching the 40-year mark during the last fiscal year.*

2 *Age analysis of small sections of road will not be available until the new Geographic Information System is fully implemented.*

ACHIEVING OUR GOAL

The Department of Transportation and Works has improved road and bridge infrastructure on many levels. Over the past two years, the Provincial Government invested more than $355 million in the province's roads, including a record investment of over $126 million in the Provincial Roads Improvement Program. Since April 2007, the Department resurfaced 761.4 kilometres of paved roads and rehabilitated or replaced over 65 bridges. During the same period, the Department also paved 76.2 kilometres of gravel roads, thereby successfully decreasing the number of kilometres of gravel road across the province. In order to continue with this success and to ensure that contractors have the advantage of a full construction season, the Province now pre-commits funds for road construction, resulting in the completion of more projects in the year they are originally budgeted. In December 2007, the Province pre-committed $66.5 million in the 2007-08 Budget for the Provincial Roads Program.

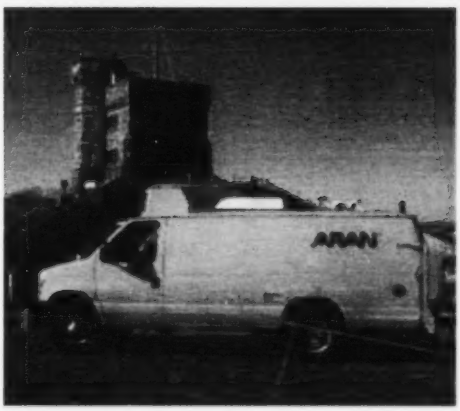
In 2007-08, the Department achieved a significant reduction in pothole patching relative to 2006-07. Although the amount of pothole patching in 2006-07 represented an increase over our base year, the net effect over the two-year reporting period is that our goal has been achieved. Over the two-year period, there has been a net reduction of 132 tonnes of pothole patching. The substantial reduction of 1,080 tonnes this year is an excellent indication of the substantial road improvements that the Department has achieved.

As previously noted, without an implemented Geographic Information System to record resurfacing of each small section of road, the Department cannot determine exactly how much of the over 750 kilometres of roads rehabilitated specifically exceeded 20 years in age. A detailed age analysis will be possible with future implementation of the Department's Geographic Information System.

Although the Department made substantial improvements to bridge infrastructure through its rehabilitation and replacement program, this did not result in a reduction of bridges over 40 years due to the unusually high number of bridges across the province surpassing the 40-year mark. It is also worth noting that even major bridge rehabilitation does not reduce the actual age of a bridge and therefore, does not result in a decrease in the number of bridges above the age of 40.

MODERNIZATION OF HEAVY EQUIPMENT FLEET

The residents of Newfoundland and Labrador rely on the provincial government's fleet of over 600 heavy equipment vehicles to maintain the provincial road system. A modern and reliable fleet is vital for the summer and winter maintenance (snowclearing and ice control) of over 9,000 kilometres of primary and secondary highways and community access roads across the province. The following goals and objectives support the strategic directions of government by contributing to the Province's commitment to fleet modernization, for efficient program and service delivery for the citizens of Newfoundland and Labrador.



GOAL:

By 2008, the Department of Transportation and Works will have reduced the number of pieces of equipment that are older than 10 years.

Measure: Reduced number of equipment age 10 years or greater
Indicator: Percentage of snow clearing equipment available for use has increased
Percentage of equipment age 10 years or greater has decreased

2007-08 OBJECTIVE

By March 31, 2008, the Department of Transportation and Works will have replaced 20 percent of its heavy equipment.

Measure: 20 percent of heavy equipment replaced
Indicator: Number of trucks replaced
Number of other heavy equipment replaced

Measure: Reduction in down-time
Indicator: Percentage of equipment available for use has increased
Replacement cost for parts has decreased

2007-08 OUTCOMES

- During 2007-08, the Department replaced 35 trucks and 18 other pieces of heavy equipment. This represents an 8.6 percent replacement of heavy equipment in addition to the 7.7 percent in 2006-07, for a total of 16.3 percent. [1]
- The Department successfully maintained equipment availability of 88.9 percent in 2007-08, an increase from 86.6 percent in 2006-07.
- Replacement cost for parts increased by 18 percent in 2007-08. [2]

Variance

[1] *While the Department had originally intended to replace an additional ten percent of its heavy equipment in 2007-08, emphasis was later placed on acquiring additional plow trucks, which are considerably more expensive. In addition, the Department of Transportation and Works purchased a new ARAN vehicle that is not considered heavy equipment. This vehicle uses the latest in sensory technology to provide the Department with accurate information concerning roadway conditions and specific locations that require improvements.*

[2] *The replacement cost for parts increased by 18 percent in 2007-08 due to a more severe winter season, as well as an increase in prices for replacement parts.*

ACHIEVING OUR GOAL

The Department has been successful at increasing the percentage of snow clearing equipment available for use. Over the past two years, snow clearing equipment availability increased from 86 percent to 88.9 percent. The Department also accomplished its overall goal of reducing the amount of heavy equipment older than ten years of age. As of March 31, 2008, 51 percent of the Department's heavy equipment was over the age of ten, a reduction of ten percent from April 2006.

VESSEL REPLACEMENT

Due to Newfoundland and Labrador's vast and sparsely populated geography and history of coastal settlement, many residents of the province rely on the provincial ferry system to move both people and goods to and from coastal communities. The Department of Transportation and Works is responsible for the management of 16 ferry services throughout the province, involving 19 owned and contracted vessels. Government is committed to reviewing the current complement of vessels and moving towards fleet modernization to meet the current and future needs of the province. The following goals and objectives support the strategic directions of government by contributing to the Province's commitment of improved marine services for the citizens of Newfoundland and Labrador.

GOAL:

By 2008, the Department of Transportation and Works will have initiated the construction of two ferry vessels.

Measure: Initiated construction
Indicator: Construction is initiated

2007-08 OBJECTIVE

By March 31, 2008, the Department of Transportation and Works will have initiated the construction of two ferry vessels.

Measure: Construction initiated
Indicator: Tender awarded for design

2007-08 OUTCOMES

- The Department awarded Poseidon Marine Consultants Limited (PMC) with a contract to design a 16-car ferry with emphasis on maximizing stability, accessibility, functionality, and environmental stewardship. Awarded in October 2006, the Department has continuously worked with PMC on the design throughout 2007-08. The design completed by PMC was used to create a Request for Proposal document that went to tender for the construction of the first two vessels.

ACHIEVING OUR GOAL

The Department of Transportation and Works has made significant advances with replacing its aging ferry fleet. The Provincial Government has moved forward with the construction of two new vessels based on the 16-car ferry design. The Department awarded Poseidon Marine Consultants Limited with the contract to design these vessels and an Expression of Interest was issued to potential Newfoundland and Labrador ship builders. The Province retained Lloyd's Register of Shipping to assess the capability of these ship builders to construct the vessels to their standards. Request for Proposals and design specification were delivered to two qualified shipyards resulting in a joint proposal from the Marystown and Clarenville Shipyards. The proposal was reviewed and an agreement in principal, valued at $50.5 million, was reached in June 2008.

LONG-TERM MULTI-MODAL TRANSPORTATION PLANS FOR THE PROVINCE

In keeping with the Department's Vision of a *sustainable public works and transportation infrastructure that meets the economic and social needs of the province*, it is vital that all of our infrastructure investments are smart investments. As transportation infrastructure takes many years to complete and changes are not easily made over the short-term, it is important that our investments be based on long-term, sustainable planning. This planning has been done with careful consideration of important issues such as changing demographics, patterns of economic growth and opportunity, and, innovative approaches to financing, building and operations. The following goals and objectives support the strategic directions of government by contributing to the Province's commitment to implement comprehensive long-term multi-modal transportation plans to improve services to the citizens of Newfoundland and Labrador.

GOAL:

By 2008, the Department of Transportation and Works will have developed a long-term transportation plan for Labrador.

Measure: Developed long-term transportation plan for Labrador
Indicator: Plan that includes priorities for marine, road and air transportation

2007-08 OBJECTIVE

By March 31, 2008, the Department of Transportation and Works will have developed a long-term transportation plan for Labrador.

Measure: Completed plan
Indicator: Plan in place with goals and objectives

2007-08 OUTCOMES

- Analysis of stakeholder input has been completed.
- Implementation and monitoring of the recommendations for transportation in Labrador were addressed in Government's comprehensive Northern Strategic Plan for Labrador released on April 20, 2007[1]

Variance

[1] *While the Department had originally intended to release a long-term transportation plan for Labrador in 2007-08, the majority of the components to be included were addressed in the Government's Northern Strategic Plan for Labrador. Decisions on the remaining components of the Labrador transportation plan will be forthcoming in 2008-09.*

ACHIEVING OUR GOAL

During the past two years, the Department has completed a substantive amount of research and analysis on the various transportation modes in Labrador, released a public consultation document, held key stakeholder consultations throughout Labrador, and outlined key initiatives for Labrador based on research and input received. As previously noted, the majority of these initiatives were released in the *Northern Strategic Plan for Labrador* and decisions on the remaining initiatives are forthcoming in 2008-09.

GOAL:

By 2008, the Department of Transportation and Works will have developed a long-term transportation plan for the island portion of the province.

Measure: Developed long-term transportation plan for the island portion of the province

Indicator: Plan that includes priorities for road, air, and marine transportation and recommendations on:

- Alternative service delivery options
- Multi-year investments
- Short and long-term priorities
- Improvements to the Marine Atlantic services
- Access to national and international destinations

2007-08 OBJECTIVE

By March 31, 2008, the Department of Transportation and Works will have drafted a long-term transportation plan for the island portion of the province.

Measure: Drafted long-term plan for the island portion of the province

Indicator: Discussion document(s) released
Stakeholder consultations initiated
Draft plan prepared

2007-08 OUTCOMES

- *Island Vessel* Replacement Consultation Document released March 2007.
- Key stakeholder consultations regarding vessel replacement held in all ferry communities throughout the island portion of the province.
- Consultant hired to conduct an air transportation study, including key stakeholder consultations.
- Priority infrastructure projects identified through Government's six-year infrastructure strategy investment.
- Rather than releasing another discussion document at this time, the Department has moved forward on its planning processes based the priority projects identified and stakeholder consultations completed in the areas of vessel replacement and air transportation. [1]

Variance

[1] *While the Department had originally intended to develop an overall transportation plan for the island portion of the province for release in 2007-08, the items that would be included in such a plan have largely been addressed through other initiatives. Decisions on the remaining components of an island transportation plan will be forthcoming in 2008-09.*

ACHIEVING OUR GOAL

As opposed to publishing a transportation plan for the island portion of the province, the Department transitioned directly from the planning process to the implementation of items that would be included in such a plan. The Province has secured multi-year investments for Newfoundland and Labrador's transportation infrastructure through the Building Canada Plan, a cost-sharing agreement with the federal government which was signed in April 2008. The Department has also proceeded with vessel replacement, resulting in the construction of two new ferry vessels scheduled to commence in 2008-09. In addition to the development and implementation of these plans, the Department has hired a consultant to complete an air transportation study, has completed a full review of the provincial ferry rates, and has worked with the other Atlantic Provinces on an Atlantic Transportation Strategy. New passenger and vehicle-plus-driver rates were implemented in April 2007 for provincial ferries based on a road equivalency standard and similar road equivalency-based rates were implemented for the remaining fares (ex. commercial, freight, etc.) in April 2008.

MISSION: SUCCESS TO DATE

MISSION

Transportation and Works will have improved the transportation and public works infrastructure and services to meet the economic and social requirements of Newfoundland and Labrador by 2011.

The mission statement identifies the priority focus areas of the Minister over the planning cycle ending March 31, 2011. It represents key longer-term results that the Minister and the Department will be working towards as they move forward on the strategic directions of government. The mission statement spans two strategic planning periods and identifies measure(s) and indicator(s) that will assist both the Department and the public in monitoring and evaluating success. The indicators for the second planning cycle can be found in the Department's 2008-11 Strategic Plan. (http://www.tw.gov.nl.ca/publications/StrategicPlan2008-11.pdf)

Over the last two years, significant improvements have been made to the Province's transportation infrastructure. However, there are still many challenges that must be addressed. This mission was chosen in 2006 to represent government's continued commitment to renewing our public infrastructure, thereby ensuring the Province is well positioned to attract and support future development.

SUCCESS TO DATE

The Department has made major progress in accomplishing its five-year mission outlined in our 2006-08 Strategic Plan. A number of the outcomes listed to be achieved by 2011 have already been reached and the Department has made substantial progress on the remainder. The Department has been successful in:

- Decreasing the amount of vacant government buildings. Over 13,600 square metres of space has been reused, disposed or demolished, and leased office space per employee has decreased from 7.8 square metres in 2006 to 7.4 square metres as of March 31, 2008.
- Committing $15 million in 2007-08 to proceed on its own with the first phase of hard-surfacing of the Trans Labrador Highway. Subsequently, we were successful in securing a 50:50 cost-sharing agreement with the Government of Canada to surface Phase I of the Trans Labrador Highway to commence in 2008-09.
- Construction of Phase III is near completion with 100.9 kilometres remaining.
- Completing a full review of provincial ferry rates. New passenger and vehicle-plus-driver rates based on a road equivalency standard were implemented in April 2007 and similar road equivalency-based rates were also implemented for the remaining fares (ex. commercial, freight, etc.) in April 2008.
- Moving forward with vessel replacement. Construction of two new ferry vessels scheduled to commence in 2008-09.

OPPORTUNITIES AND CHALLENGES AHEAD

STRATEGIC HUMAN RESOURCE MANAGEMENT

Over the past year, the Department of Transportation and Works has focused its strategic human resource management activities on building capacity within our workforce and addressing areas where recruitment and retention continue to create challenges.

In early 2007, the Department initiated workforce planning to build workplace capacity in order to achieve the Department's strategic goals, resulting in improved transportation and public works infrastructure. The existence of such a heterogeneous mix of personnel creates ongoing and sometimes unique staffing and recruitment challenges. In view of anticipated retirements over the next five years, along with the reality of employees exiting for opportunities elsewhere, issues surrounding employee productivity, staff retention, and recruitment have been and will continue to be especially challenging. The Department's workforce plan recommended strategies to address these areas and provided a profile of future workforce needs, a gap analysis, and action plans for accomplishing its goals and objectives.

This workforce plan has become the blueprint from which the Strategic Human Resource Management Division has built its implementation plan, outlining the Division's goals and objectives. These goals and objectives support the business of the Department and enable us to create and maintain a safer workplace in which our productive and committed workforce achieves excellence through enhanced learning.

Particular emphasis was placed on addressing recruitment challenges through the development of strategies to attract qualified individuals to departmental vacancies. The Department

partnered with training institutions to provide developmental opportunities for our employees. Significant emphasis was placed on improving access to learning opportunities for departmental employees through greater funding and a more strategic approach to learning and development.

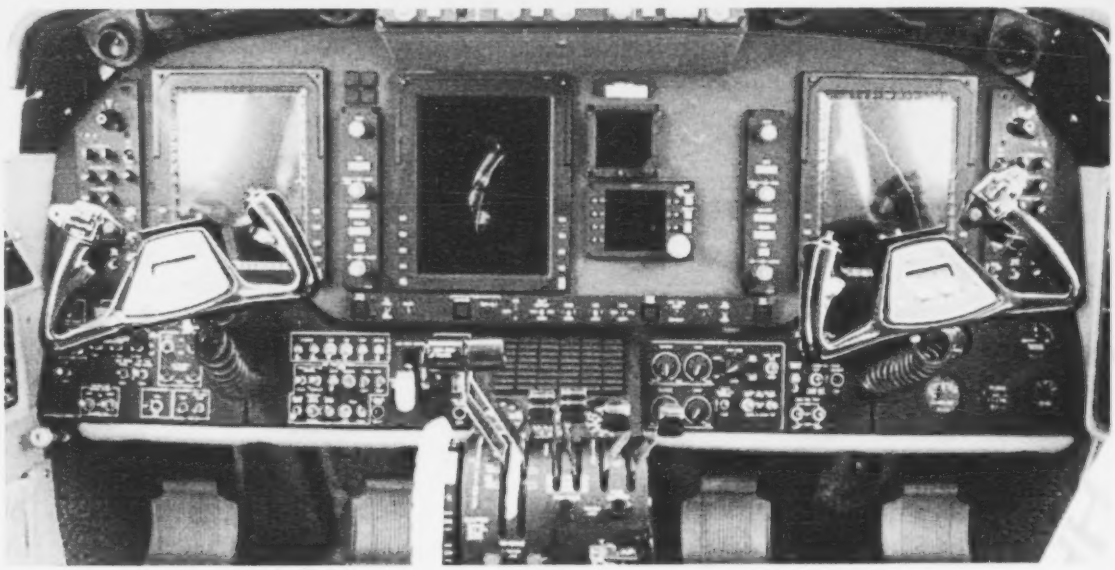
The Department has concentrated significant efforts through the past year on creating greater safety awareness through new programming, education, and a greater emphasis on inspection and reporting. This has enabled us to increase the understanding of safety issues within the Department and decrease costs associated with lost time. We have also continued to work cooperatively with our unions to address workplace and individual issues through improved communication and collaboration.

While the Department anticipates challenges associated with an aging workforce, competition from other provinces, and large projects to continue, we are diligently working to improve our workplace environment. With a focused plan and strategies to address workplace issues, we believe we will have a workforce that is able to provide a sustainable public works and transportation infrastructure that meets the economic and social needs of the province.

SUSTAINABLE TRANSPORTATION FUNDING

Over the last couple of years, the Province has increased the level of funding it provides to maintain our provincial roads network. In 2007-08, a historic $160 million was committed for road improvements, including $66.5 million for the Provincial Roads Improvement Program. The provincial government, through its general infrastructure strategy, is committed to this level of funding for the long term.

In addition to our provincial roads, the Province and the federal government have a cost-shared agreement for capital work on the National Highway System. Along with other provinces and territories, we have been encouraging the federal government to support the concept of sustainable and predictable long-term funding for the National Highway System. Discussions with federal and provincial counterparts were successful, resulting in a new multi-billion dollar Building Canada Plan. The sustainable infrastructure agreement was signed in April 2008.

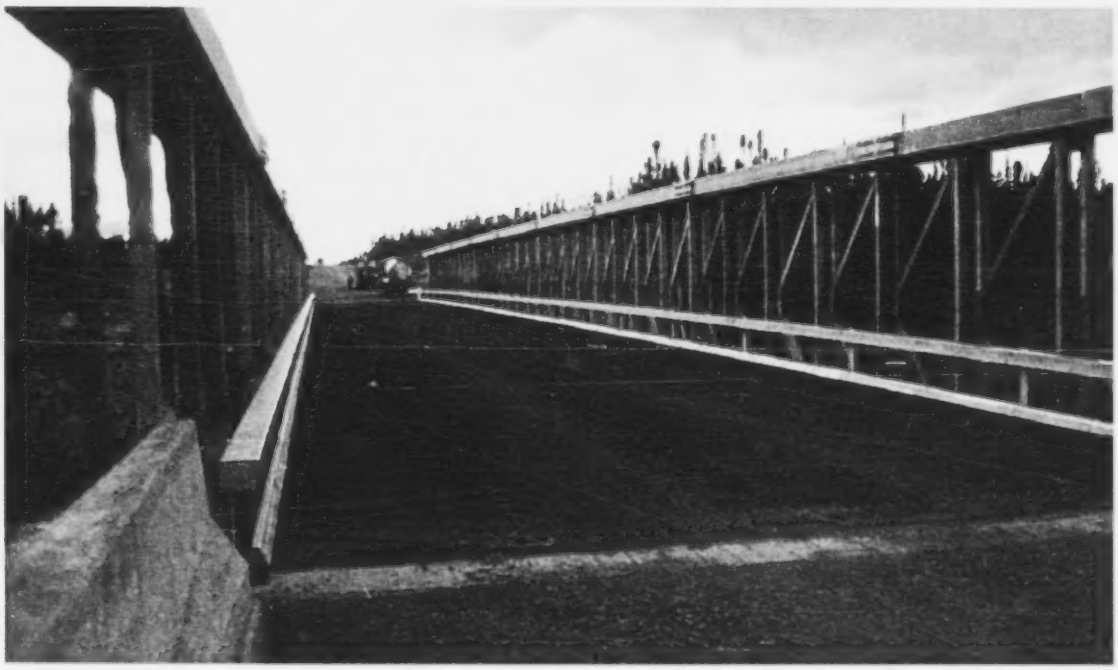


TRANSPORTATION AND WORKS INFRASTRUCTURE

The Department of Transportation and Works witnessed unprecedented investments in updating and improving our transportation and works infrastructure. These improvements include unprecedented investments into rehabilitating our roads, establishing a new Marine Transportation Services Branch in Lewisporte, and redeveloping over 7,000 square metres of space to accommodate functional needs. Even with these considerable improvements, the Department is committed to moving forward to further strengthen Newfoundland and Labrador's public works and transportation infrastructure.

To continue with these improvements to our transportation and works infrastructure in the coming years, the Department will:

- Enhance Government Air Services with the acquisition of a new air ambulance.
- Continue road rehabilitation, working within our six-year plan that allocates unprecedented levels of funding to carry out the work.
- Continue to improve space management by rehabilitating existing space to meet functional needs, disposing unused and unsuitable structures and acquiring additional space through the right mix of owned and leased accommodations to meet future functional needs.
- Continue to work with the federal government to secure long-term sustainable funding to assist with the ongoing development and management of the transportation needs of the people of Newfoundland and Labrador.
- Continue to liaise with our provincial, territorial, and federal counterparts to share ideas and best practices in transportation and works.
- Implement more environmentally friendly specifications and procedures for government buildings and light vehicles in support of the *Provincial Energy Plan*.
- Continue with the implementation of vessel replacement including the construction of a third 16-car ferry and the design and construction of a large 60-car ferry.



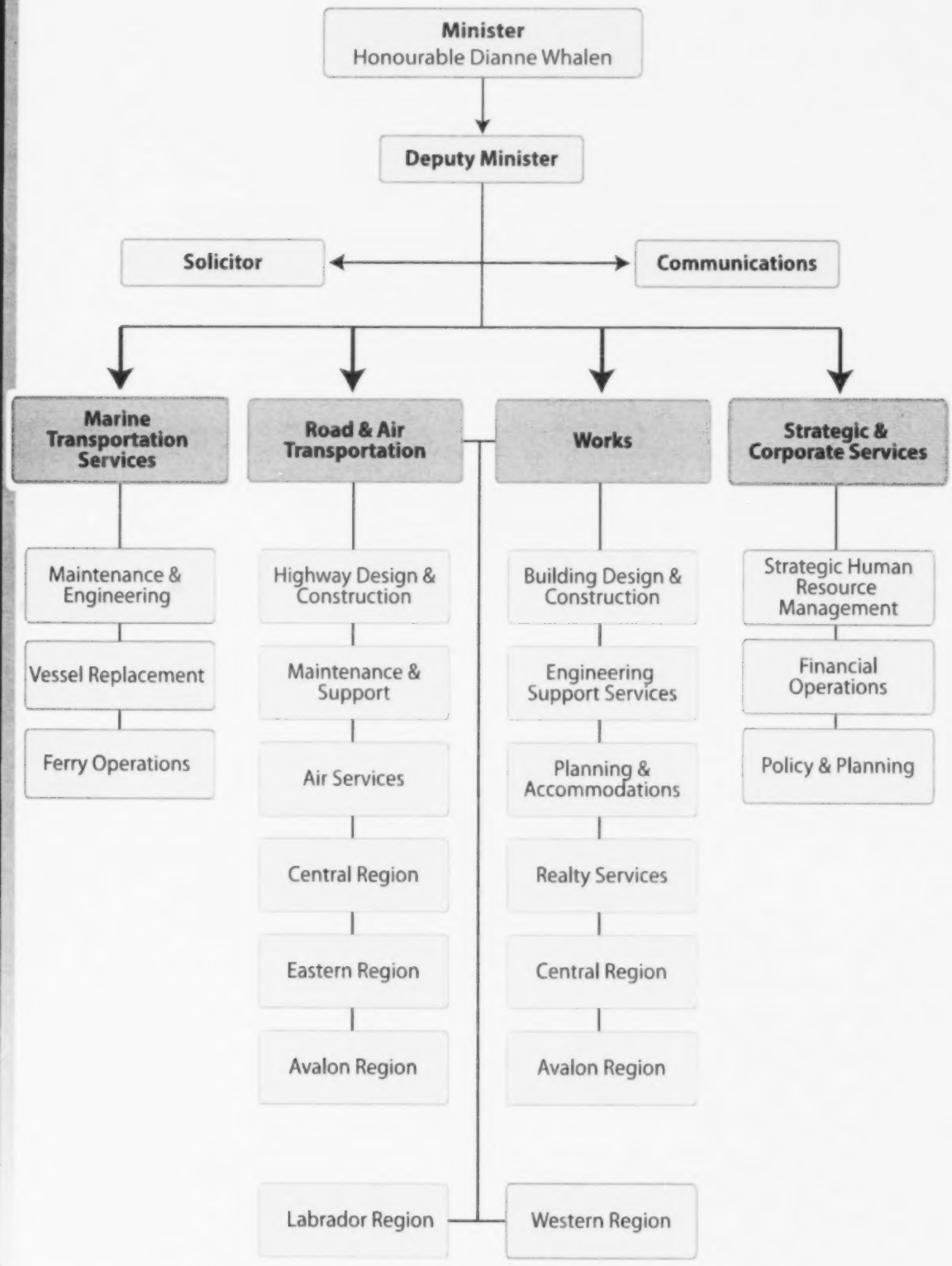
STATEMENT OF EXPENDITURES AND REVENUES

Summary of Expenditure and Related Revenue (un-audited)
For the year ending March 31, 2008

		Estimates	
	Actual	Amended	Original
EXECUTIVE AND SUPPORT SERVICES			
Minister's Office	$234,733	$255,700	$252,200
General Administration	$8,336,814	$9,426,700	$9,118,400
Less Revenue	($515,899)	($792,800)	($792,800)
MAINTENANCE OF ROADS AND BUILDINGS			
Road Maintenance	$64,164,797	$65,004,300	$57,252,600
Less Revenue	($2,757,078)	($2,964,000)	($2,964,000)
Building Maintenance Operations and Accommodations	$45,054,853	$46,491,900	$43,971,700
Less Revenue	($710,640)	($930,000)	($930,000)
Equipment Maintenance	$36,863,445	$37,491,800	$31,193,300
Less Revenue	($158,423)	($475,000)	($475,000)
CONSTRUCTION OF ROADS AND BUILDINGS			
Administration and Support	$2,791,050	$2,842,500	$2,748,400
Road Construction	$124,842,722	$141,627,300	$147,599,500
Less Revenue	($10,900,663)	($24,500,000)	($24,500,000)
Building Construction	$17,598,385	$19,100,000	$20,050,000
Less Revenue	($50,476)	($75,000)	($75,000)
TRANSPORTATION SERVICES			
Air Support	$2,436,523	$2,930,000	$2,425,400
Less Revenue	($1,585,655)	($1,321,800)	($1,321,800)
Marine Operations	$62,677,058	$70,200,200	$78,783,400
Less Revenue	($7,787,995)	($6,473,000)	($6,473,000)
Air Services	$12,250,234	$29,803,100	$31,645,100
Less Revenue	($2,912,344)	($3,030,000)	($3,030,000)
Total Expenditure	$377,250,614	$425,173,500	$425,040,000
Total Related Revenue	($27,379,173)	($40,561,600)	($40,561,600)

Note: Expenditure and revenue figures included in this document are un-audited and based on public information provided in the Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for the Year Ended 31 March 2008. Audited financial statements are a requirement at the government level and are made public through the Public Accounts process, however the Department of Transportation and Works is not required to provide a separate audited financial statement.

APPENDIX A: ORGANIZATIONAL CHART



APPENDIX B: CONTACT INFORMATION

CORPORATE HEADQUARTERS
Department of Transportation and Works
West Block, Confederation Complex
PO Box 8700
St. John's, NL A1B 4J6
Phone: 709-729-2300
Fax: 709-729-4658
E-Mail: twminister@gov.nl.ca
Website: www.tw.gov.nl.ca

MARINE TRANSPORTATION SERVICES
Department of Transportation and Works
1 Fairview Street
PO Box 97
Lewisporte, NL A0G 3A0
Phone: 709-535-6201
Fax: 709-535-6245
Public Information Officer: 1-888-638-5454

AVALON REGION (WORKS)
West Block, Confederation Complex
PO Box 8700
St. John's, NL A1B 4J6
Phone: 709-729-3362
Fax: 709-729-0036
(Note: Covers the Avalon Peninsula)

AVALON REGION (ROAD AND AIR TRANSPORTATION)
White Hills
PO Box 21301
St. John's, NL A1A 5G6
Phone: 709-729-2382
Fax: 709-729-0219

CENTRAL REGION (WORKS)
McCurdy Complex
PO Box 2222
Gander, NL A1V 2N9
Phone: 709-256-1000
Fax: 709-256-1013

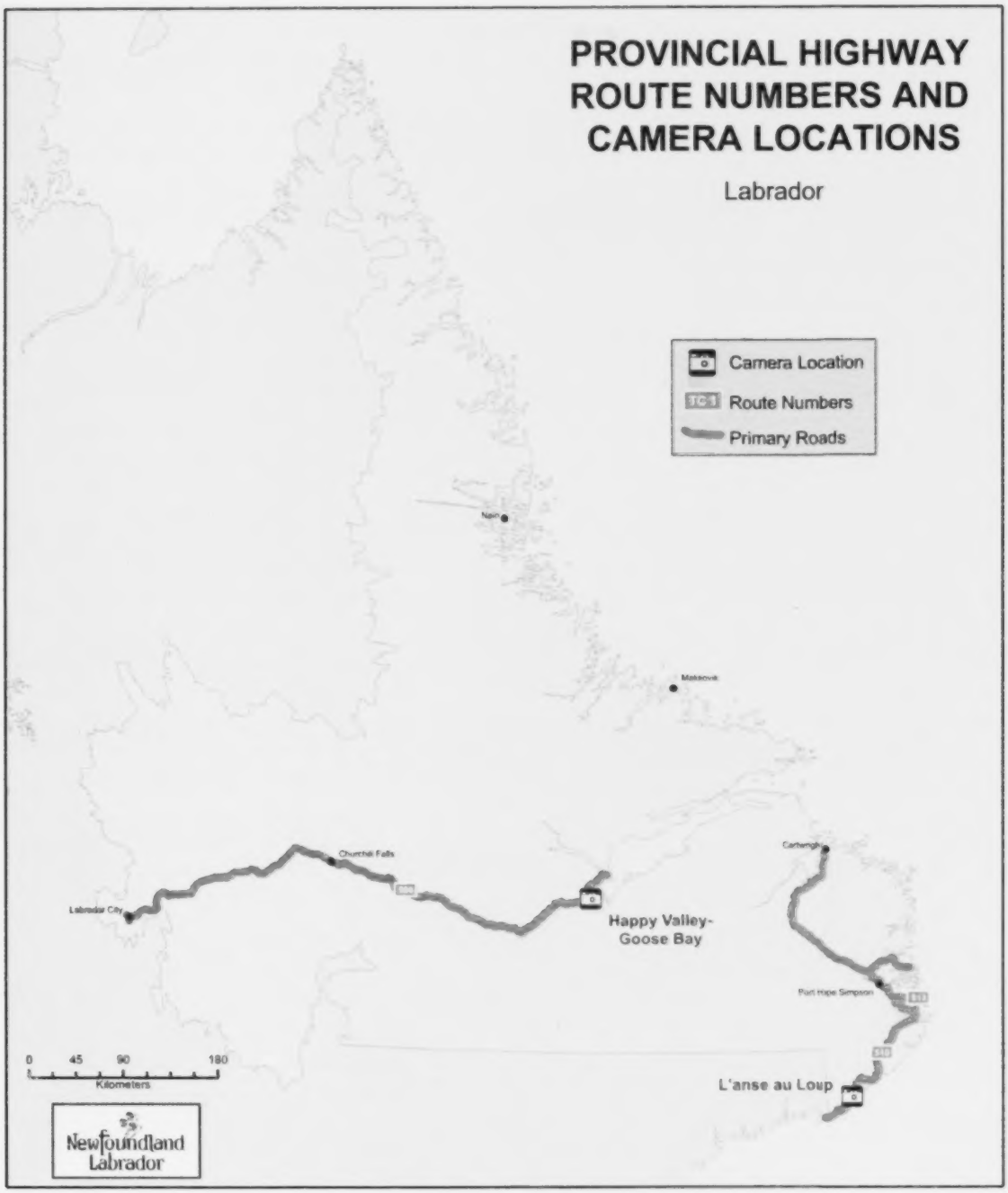
EASTERN REGION (ROAD AND AIR TRANSPORTATION)
3 Duffitt Place
Clarenville, NL A5A 1E9
Phone: 709-466-4120
Fax: 709-466-3927

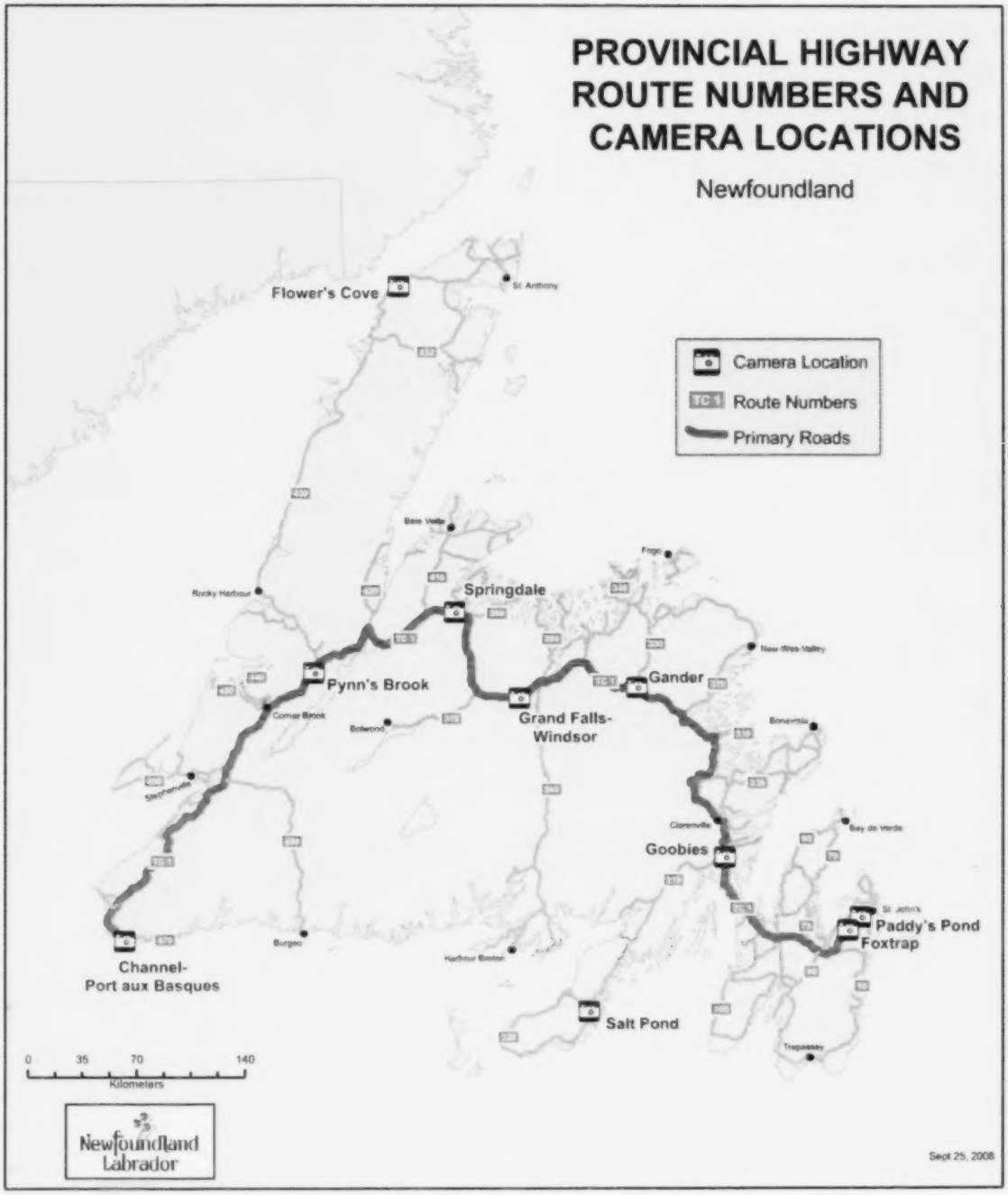
CENTRAL REGION (ROAD AND AIR TRANSPORTATION)
Transportation Depot
Duggan's Road
Grand Falls-Windsor, NL A2A 2J3
Phone: 709-292-4300
Fax: 709-292-4364

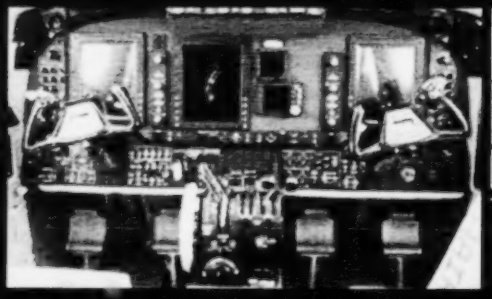
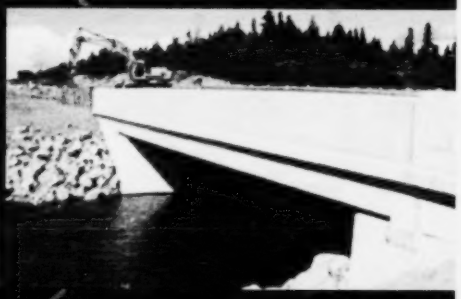
WESTERN REGION (ROAD AND AIR TRANSPORTATION & WORKS)
74 Old Bonne Bay Road
Deer Lake, NL A8H 3H4
Phone: 709-635-4127
Fax: 709-635-2549

LABRADOR REGION (ROAD AND AIR TRANSPORTATION & WORKS)
PO Box 3014, Stn "B"
Happy Valley-Goose Bay, Labrador A0P 1E0
Phone: 709-896-7840
Fax: 709-896-5513

APPENDIX C:
PROVINCIAL HIGHWAY ROUTE NUMBERS AND CAMERA LOCATIONS




PROVINCIAL HIGHWAY ROUTE NUMBERS AND CAMERA LOCATIONS
Newfoundland
Camera Location
Route Numbers
Primary Roads
Flower's Cove
St. Anthony
Springdale
Pynn's Brook
Grand Falls-Windsor
Gander
Goobies
Paddy's Pond
Foxtrap
Channel-Port aux Basques
Salt Pond
Rocky Harbour
Corner Brook
Stephenville
Burgeo
Harbour Breton
Bonavista
Bay de Verde
Trepassey
0 35 70 140
Kilometers
Newfoundland Labrador
Sept 25, 2008

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